

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

In re: : Case No.: 12-23412-GLT
: Chapter: 13
Lance P. McCullough :
Janelle L. McCullough :
Debtor(s). : Date: 10/4/2017
: Time: 11:30

FILED

OCT 05 2017

CLERK, U.S. BANKRUPTCY COURT
WEST DIST. OF PENNSYLVANIA

PROCEEDING MEMO

MATTER: #165 - Third Order to Show Cause Against Navient Solutions, Inc. to Consider Sanctions for Failure to Comply with Court Orders and Attend Hearing Re: Withdrawal of Claim No. 9 [Dkt. No. 165]
#191 - Response by Navient Solutions, Inc.
#193 - Exhibit A to Response by Navient Solutions, Inc.

APPEARANCES:

Debtor: David Valencik
Trustee: Ronda J. Winnecour
Navient: Alane Becket

NOTES:

Court: Because of the quality of Navient's response, the Court did not require a corporate officer to attend this hearing.

Becket: Client was confused because most jurisdictions do not require a transfer of claim under these circumstances.

Court: If this situation does not require a transfer of claim, this could have been addressed through a response. Did Navient not search for any bankruptcy filings by the Debtor when the loan was approved?

Becket: Navient is just a loan servicer. Cannot speak for the Department of Education's procedures when it consolidated the Debtor's loan.

Court: Is there a process in place to ensure that when a Court order is issued to the employee who filed a document with the Court, it will be responded to or directed to the appropriate person for a response?

Beckett: Has met with Navient regarding additional training and procedures and will also visit its facility to follow up.

Court: Why was the July order not escalated when it identified Navient in its title?

Beckett: It was a cascade of errors and bad training. Working with Navient to resolve them.

OUTCOME:

1. Sanctions are not warranted. A transfer or assignment of claim is no longer necessary in this case. The Order to Show Cause [Dkt. No. 165] is vacated. (Text Order to issue.)

DATED: 10/4/2017